(All Min present except Marshall)

Cabinet · July 25

[redacted]

[redacted]

[redacted]

1A Lower Churchill Update -

1) Ont Que
2) NL
3) NL - above ground
- below water.

Maybe we should go it alone, + allow for a farm in if necessary.

Should we eliminate Innu now or keep them in for the ride. I think the quicker we can bring this to a head the better. If necessary, shut down the process.

Quite clear the Ont/Que proposal is the best so far.

May need to wait til after COF to deal w/ Innu issues.

DW posed question on whether Innu should come to a head early. LS + TR agreed.

DW - leave it to us to make a decision in conjunction with the Ministers involved.

[redacted]

Date

Lower Churchill Briefing
Dec 15/05

EM – We are seeking approval to file the tariff application w/ Que, notify proponents on how we are to proceed; + to go to Washington in early New Year to tell FERC what we are doing

- negotiating strategy (see deck)
  - direct access to Ontario
  - Fairhens has prepared a tariff allocation (we are deciding how many MW go where)
  - market advisors are saying there is the cash available to finance this ourselves.

(ask Terry to look at the financing risk)

- we are rejecting the Q/Ont proposal.

(DW – good communications win in the new year in the context of Inco, FPI, etc)

- need to get answers from federal leaders early in New Year.

Page

Date

- infeed not

Risk Mitigation –

- need to get a good person in Labrador;

[redacted]

- Premier inclined to proceed with the FERC application next week, & then roll out the big picture in January.

EM will pull together a Labrador analysis for discussion.

Page

[redacted]

Presentation: F/P Agenda.

* DW spoke about lower Churchill. Transenergie has told Hydro that its application will take 18 months - Oct 07. DW believes this is Charest's signal to us because its much longer than the 6 months this normally takes - just like we might ask PUB to delay a decision.
- Harper + Charest are very tight + this might work against it. But maybe if there is a 3 way win on trans + energy, based on Harper wanting Charest to win the next election.

Date

- In one month we may be in a position to announce that NL will be going it alone on this project. We will still sell power to Ontario, + transit through Quebec, but the envir. + aboriginal levers that Que can pull are large. Despite this, Charest keeps on saying that if he can do a good + generous deal w/ NL, he wants to do it.

[redacted]

CMIFP Exhibit P-00265

Date

Mtg w/ Premier on COF "Energy Ctte
Oct 24/06 (DW, BC, Em, SD, BK, CK, CB, RT)

CK summarized the mtg w/ Ontario Minister on the Lower Churchill project. Objective was to show them NL was in charge & capable of developing the project & bringing it to market. The objective was achieved.

DW - keep Maritime route alive.
This is still my preferred option even though it's more expensive.
- by year end we need to know where Que & Ont are so we can make a decision on which route to go.
- We need to specify a price at the Ont border, & let Ont & Que fight it out how they cover the costs of getting it there.

COF →

DW - we have an opp to take

Date

leadership & help the province. It helps us deal w/ Harper & "takes us above the 7 seats". East/West grid is key (only opposed by ~~Manitoba~~ Quebec). Other issues such as energy effic, R+D, etc are common & easy to agree on. Though we may never get agreement on climate change. If we can get agreement on E/W grid except Quebec, that would be good because it exposes Quebec.

[I said Que was a bad place to rely on for energy (based on sovereignty agenda) - this was controversial but deliberate.]

Everything I do here is for NL, giving other pov's a lift to buy in, but we need to focus on NL interests. That's why the process needs to stay close to ~~CK~~ premiers & not sink down to DM's (they will sanitize it too much).

I want Campbell active in the Committee. Klein was an ~~ally~~ ally, but his successor won't be.

Date

Energy Plan - there was a briefing for the Hydro Board.
- actively writing.
- finished interdep com.
- 1 more consult w Aboriginal
- timeframe - January.

Page

Date

Cabinet · Nov 14/06

* Presentation on Lower Churchill Project (E Martin).

- explained gateway decision-making approach
- identified ~~as~~ January as gate date for $150m for FEED.
- identified March/April as key for market access info.
- environmental registration is the immediate issue.
- on M/kt access, we have separated the Ont/Que agreement + we are dealing with them as equals. We are assessing the Maritime route, NB wants 600-800 MW, + maybe finance 500-600 MW on the back of the Holyrood regulated utility. (DW - I prefer the Maritime route just to escape the involvement w/ Que. Its obviously cheaper to go through Quebec, but.... I am a "build it + they will come" thinker, + we will take advantage of short term sales contracts.)

Page

Date

- EM - when 2041 comes, we can export to the US by laying down a new Maritime route. No need to build it now just for future negotiating leverage.

- IBA negotiations w/ Innu are going well. But they don't want to sign until sanction

- the DC LINK is looking like a definite. Still looking at the #s.

.. J. Hickey - connections to south coast Labrador communities is an issue.

- EM - the subsea cable under the Strait of Belle Isle will be trenched. Ice is not as big an issue as we thought at first.

. - every hydro project has looked good in the past; we may not have every issue in the business case mailed down but that may not be necessary to carry on.

Page

Date

- the Environment process is the project critical ~~path~~ path. We are splitting the core of the project from the transmission. Darrel [redacted]

[redacted]

* -DW - we need a Labrador solutions package ready to respond to the various concerns raised during the EA.

* - also, we need to show the job creation impact of this year's RFP on engineering (07 + 08); + a list of detailed job availability for the whole project.

Officials left

DW - at first EM did not support Maritime route, but we asked him to have another look at it, they worked the numbers, and now he's come back with an assessment that says it can be done. Linked to replacing Holyrood. It's a great team over there.

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Date

LCP M&A Update

1. Geneva – studying the link from NS to NL
2. April 23/10 – day long update
3. Finance – see them on deep equity.
4. LCP Industo Benefits to go along w/ power purchase.
5. Fort Reliance –
6.

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[redacted]

Date March 30

[redacted]

NS.

- May we executed on Friday
- Power into NS.

Excellent relationship - Emera is pushing us. Emera needs power supply for GHG, PPA.

3-4 months to do studies. Then embark on commercial.

→ May not need anything other than general support. ("baseload").

→ [redacted]

→ Their plan includes wind, etc —

[redacted]

[redacted]

Date

AEG Atlantic DM's

May 11

1. Nothing agreed until after Premiers call.
2. Governance:
   - 4 DMs Steering Ctte.
   - Co-chairs - Andy/NS
   - decision-making by consensus.

(check the Eco-energy program).

- Suggest ADMs group to coordinate
- Some studies need utility reps;

→ get feedback on the working teams within one week.

Issues unaddressed.
- transmission cost allocation
- corr. dor planning.
- System operator
  - Phase 1
  - Phase 2.

} Clair to do a process. proposal for consideration.

Page

Date

May 12 - Regie Ruling.

1. Why decision is wrong?
2. What happens to project?
3. Can't understand the rationale?

4 Major questions: - Ontario needs power; [redacted]

Don't kill Ontario because we can apply to go there. We need to reach out. This is an attempt to block us.

5. Harsh messages
   - CF lines in Labrador.
   - story of the 45 day limit that HQ didn't ask for.
   -

[redacted]

Page

L-C · Mtg Nalcor

Date

Focus: Muskrat plus, Island Link plus Maritimes.

- NS Power / Emera — NS/Island interconnect
- how much energy out of Muskrat to Island + maritime — Gull would follow later than Quebec.
- 500 MW to NS
- NS 200 - 400
- PEI 100
-

MR — L

- Emera study is hiring Ventyx.
- Econ + financing study could temper the wind vs hydro projects.
-

Sys Op = access to NB + NF for NL.

(1) NEG
(2) Emera
(3) Modelled benefits
(4) Benefits to NS. + benefits around the region.
(5) firming up tidal + wind.
(6) Long term deal.

Page

Date

- Regie decision is no change — 40 yr plan; storm or two to pass
-

Page

Ed / Derrick.

- with sharing on transmission
  - not tabled yet.
  - may be needed to keep rate between 125 + 135

- Block A - they need 125 - 135 per MWH at the regulator.
  - ~~they~~
  - #s to date are 137
  - we could give extra energy by blending a Block B, get it down to #125.
  - 0.3 twh - from recall instead of wind by 2015. then after 2016 from MF. (or if can't get through NB, then Emera will seek RES exemption)
  - #76 needs to be the price or greater.

Alan Browne:

OHS.

Update from Ed, Oct 27/10

(1) Structure of transmission rights through NS.
  - NS wants to give all they have available plus "conditional firm" whenever it becomes available.
  - Ed believes this will be sufficient for MF, but not sure how much extra.
(2) Conditional Investment — done at 49%
(3) Sharing of Cost Risk — Emera wants no cost risk because they are maxed out now. In response, they want 50/50 [redacted] say on major decisions, with tie-breaking [redacted] by independent engineers. Major decisions are like EPC, etc. This will bring them in for full cost risk.
(4) Block B — interested & gone back to work out a price.
(5) MEPCO TAX issue —

Date

Ed 10:37 pm

- talked to Premier, balked at risk-sharing, control is a tough sell
  - gone back to define major decisions
  - need to go back to Premier

- NS/NL -
  - Dexter thinking more slowly or announcement
  - Benefits Strategy → need to get together with Murray
  - Condition precedent on P3

- They don't want to be jammed & they need to be briefed & assess it Prince may not have everyone thrilled. Emera won't conclude before NS considers
- Need to sit down w/ Emera & understand it. Can't say how long that will take. Its a long term agreement; Can't give a commitment today.

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[redacted]

→ Nancy Watson

→ Call Murray.

Loan Guarantee

SCI Study

Benefits

- Cost sharing:
  - MF: NL amt
  - IL: " "
  - ML: $1.3B

  → increase into a rate base
  → ratepayer NS – $150m
  → split equal to a % up to x %
  → after that, Nalcor 100%

(Sole authority to say if link is going ahead)

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Date

Conf call w/Ed, Dennis, Gilbert Charles

DW, KD, J, JM, BC, EM, GN

Nov 2

- Ed spoke to a dech
  - need to make a generation decision [redacted] by December.

- We need 2-300m to equalize rates. Need to work this into a policy statement.

- Need to quantify high end & low end value of the power thru the Manitoba Link.

- How to deal w/ Danny Dimas criticisms on Recall,

- MF + Spill — 97B dividends
  + ML — 27B.

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Issues.

[redacted]

- LCP — Cabinet Briefing
  - Benefits.
  - Resolving the rate bump
  - PR + briefing.

[redacted]

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